

IC 12-19-1.5

Chapter 1.5. Replacement of Property Tax Levies in Allocation Areas

IC 12-19-1.5-1

"Allocation area" defined

Sec. 1. As used in this chapter, "allocation area" refers to an area that is established under the authority of any of the following statutes and in which tax increment revenues are collected:

- (1) IC 6-1.1-39.
- (2) IC 8-22-3.5.
- (3) IC 36-7-14.
- (4) IC 36-7-14.5.
- (5) IC 36-7-15.1.
- (6) IC 36-7-30.

As added by P.L.273-1999, SEC.94.

IC 12-19-1.5-2

"Base assessed value" defined

Sec. 2. As used in this chapter, "base assessed value" means the base assessed value as that term is defined in IC 6-1.1-39-5(h), IC 8-22-3.5-9(a), IC 36-7-14-39(a), IC 36-7-15.1-26(a), IC 36-7-15.1-35(a), or IC 36-7-30-25(a)(2).

As added by P.L.273-1999, SEC.94.

IC 12-19-1.5-3

"Governing body" defined

Sec. 3. As used in this chapter, "governing body" means the following:

- (1) For an allocation area created under IC 6-1.1-39, the fiscal body of the county (as defined in IC 36-1-2-6).
- (2) For an allocation area created under IC 8-22-3.5, the commission (as defined in IC 8-22-3.5-2).
- (3) For an allocation area created under IC 36-7-14, the redevelopment commission of the unit.
- (4) For an allocation area created under IC 36-7-14.5, the authority created by the unit.
- (5) For an allocation area created under IC 36-7-15.1, the metropolitan development commission of the consolidated city.
- (6) For an allocation area created under IC 36-7-30, the military base reuse authority.

As added by P.L.273-1999, SEC.94.

IC 12-19-1.5-4

"Obligation" defined

Sec. 4. As used in this chapter, "obligation" means an obligation to repay:

- (1) the principal and interest on bonds;
- (2) lease rentals on leases; or
- (3) any other contractual obligation;

payable from tax increment revenues. The term includes a guarantee of repayment from tax increment revenues if other revenues are insufficient to make a payment.

As added by P.L.273-1999, SEC.94.

IC 12-19-1.5-5

"Property taxes" defined

Sec. 5. As used in this chapter, "property taxes" means:

(1) property taxes, as defined in IC 6-1.1-39-5(g), IC 36-7-14-39(a), IC 36-7-15.1-26(a), and IC 36-7-30-25(a)(3);

or

(2) for allocation areas created under IC 8-22-3.5, the taxes assessed on taxable tangible property in the allocation area.

As added by P.L.273-1999, SEC.94.

IC 12-19-1.5-6

"Replacement amount" defined

Sec. 6. As used in this chapter, "replacement amount" means the sum of the property taxes imposed on the assessed value of property in the allocation area in excess of the base assessed value in 1999 for:

(1) the county welfare fund; and

(2) the county welfare administration fund.

As added by P.L.273-1999, SEC.94.

IC 12-19-1.5-7

"Tax increment revenues" defined

Sec. 7. As used in this chapter, "tax increment revenues" means the property taxes attributable to the assessed value of property in excess of the base assessed value.

As added by P.L.273-1999, SEC.94.

IC 12-19-1.5-8

Applicability of chapter

Sec. 8. (a) This chapter applies to an allocation area in which:

(1) the holders of obligations received a pledge before July 1, 1999, of tax increment revenues to repay any part of the obligations due after December 31, 1999; and

(2) the elimination of a county welfare fund property tax levy or a county welfare administration fund property tax levy adversely affects the ability of the governing body to repay the obligations described in subdivision (1).

(b) A governing body may use one (1) or more of the procedures described in sections 9 through 11 of this chapter to provide sufficient funds to repay the obligations described in subsection (a). The amount raised each year may not exceed the replacement amount.

As added by P.L.273-1999, SEC.94.

IC 12-19-1.5-9

Imposition of special assessments

Sec. 9. (a) A governing body may, after a public hearing, impose a special assessment on the owners of property that is located in an allocation area to repay a bond or an obligation described in section 8 of this chapter that comes due after December 31, 1999. The amount of a special assessment for a taxpayer shall be determined by multiplying the replacement amount by a fraction, the denominator of which is the total incremental assessed value in the allocation area, and the numerator of which is the incremental assessed value of the taxpayer's property in the allocation area.

(b) Before a public hearing under subsection (a) may be held, the governing body must publish notice of the hearing under IC 5-3-1. The notice must state that the governing body will meet to consider whether a special assessment should be imposed under this chapter and whether the special assessment will help the governing body realize the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. The notice must also name a date when the governing body will receive and hear remonstrances and objections from persons affected by the special assessment. All persons affected by the hearing, including all taxpayers within the allocation area, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, and orders of the governing body by the notice. At the hearing, which may be adjourned from time to time, the governing body shall hear all persons affected by the proceedings and shall consider all written remonstrances and objections that have been filed. The only grounds for remonstrance or objection are that the special assessment will not help the governing body realize the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. After considering the evidence presented, the governing body shall take final action concerning the proposed special assessment. The final action taken by the governing body shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by subsection (c).

(c) A person who filed a written remonstrance with a governing body under subsection (b) and is aggrieved by the final action taken may, within ten (10) days after that final action, file in the office of the clerk of the circuit or superior court a copy of the order of the governing body and the person's remonstrance or objection against that final action, together with a bond conditioned to pay the costs of appeal if the appeal is determined against the person. The only ground of remonstrance or objection that the court may hear is whether the proposed assessment will help achieve the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. An appeal under this subsection shall be promptly heard by the court without a jury. All remonstrances or objections upon which an appeal has been taken must be consolidated, heard, and determined within thirty (30) days after the time of the filing of the appeal. The

court shall hear evidence on the remonstrances or objections, and may confirm the final action of the governing body or sustain the remonstrances or objections. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

(d) The maximum amount of a special assessment under this section may not exceed the replacement amount.

(e) A special assessment shall be imposed and collected in the same manner as ad valorem property taxes are imposed and collected.

As added by P.L.273-1999, SEC.94.

IC 12-19-1.5-10

Denial of additional credits

Sec. 10. (a) For purposes of this section, "additional credit" means:

- (1) for allocation areas created under IC 6-1.1-39, the additional credit described in IC 6-1.1-39-6(a);
- (2) for allocation areas created under IC 8-22-3.5, the additional credit described in IC 8-22-3.5-10(a);
- (3) for allocation areas created under IC 36-7-14, the additional credit described in IC 36-7-14-39.5(c);
- (4) for allocation areas created under IC 36-7-14.5, the additional credit described in IC 36-7-14.5-12.5(d)(5);
- (5) for allocation areas created under IC 36-7-15.1:
 - (A) the additional credit described in IC 36-7-15.1-26.5(e);
 - or
 - (B) the credit described in IC 36-7-15.1-35(d); or
- (6) for allocation areas created under IC 36-7-30, the additional credit described in IC 36-7-30-25(b)(2)(E).

(b) In order to raise the replacement amount, the governing body of each allocation area may deny all or a part of the additional credit.

As added by P.L.273-1999, SEC.94.

IC 12-19-1.5-11

Use of excess tax increment revenues

Sec. 11. If a governing body does not impose a special assessment under section 9 of this chapter or deny all or part of the additional credit under section 10 of this chapter, the governing body may, in order to provide sufficient funds to repay the obligations described in section 8(a) of this chapter, use any tax increment revenues that exceed:

- (1) the amount pledged to pay the principal and interest of obligations; and
- (2) any amounts used to provide debt service reserve for obligations payable solely or in part from tax increment revenues or from other revenues.

As added by P.L.273-1999, SEC.94.